



BILL HASLAM
GOVERNOR
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TENNESSEE MAINTAINS STRONG CREDIT RATINGS

Fitch, Moody's and Standard and Poor's recognize state's conservative fiscal management

NASHVILLE – Tennessee Gov. Bill Haslam today lauded the three bond rating agencies for maintaining the state's solid credit ratings, a testament to Tennessee's leadership and conservative fiscal management.

The state will keep its Aaa rating from Moody's Investor Service and Fitch Inc. and its AA+ rating with a positive outlook from Standard & Poor's. Moody's, however, did place the state's rating on "negative outlook," which relates to the agency's decision in August to confirm the Aaa bond rating of the United States while assigning a negative outlook.

These ratings allow the state to pay lower interest rates when it borrows money. Tennessee has one of the lowest debt burdens of any state in the country, a fact that is a strong positive in the evaluation process.

"We have a proven history of fiscal responsibility in Tennessee, and I appreciate the confidence the agencies are showing in our current leadership team by maintaining the state's strong ratings during these turbulent economic times nationally," Haslam said. "We are committed to fiscal restraint in managing our budget and will continue to prepare for the likelihood of less federal funding out of Washington."

Finance and Administration Commissioner Mark Emkes along with the state constitutional officers including Comptroller Justin Wilson, Treasurer David Lillard, Secretary of State Tre Hargett and other state officials traveled to New York in August for preliminary presentations to two of the ratings agencies. Following those meetings, Emkes asked state agencies to draft contingency plans to prepare for reductions in federal funding.

Haslam and Emkes joined Lt. Gov. Ron Ramsey (R-Blountville) and the constitutional officers earlier this month in New York for the state's annual meetings with the three agencies. There they made the case that Tennessee is a well-managed state with low debt and is well-positioned to weather the current financial climate.

The Tennessee Constitution requires the state to balance its budget every year, and any capital project must be funded at 11 percent of its cost in the first year. The governor emphasized these structural decisions in state government are important indicators of stability and prudent management.

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